

SALDANHA BAY MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended
30 June 2005

I am responsible for the preparation of these annual financial statements, which are set out on pages x to x, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 23 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

L.A. Scheepers
Municipal Manager

Date

SALDANHA BAY MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2005

	Note	2005 R	2004 R
NET ASSETS AND LIABILITIES			
Net assets		#REF!	#REF!
Housing Development Fund	1	36,452,420	33,944,201
Capital replacement reserve		45,937,131	45,937,131
Capitalisation reserve		45,030,095	45,277,358
Government grant reserve		20,809,140	4,403,577
Donations and public contribution reserves		1,604,688	2,142,914
Self-insurance reserve		2,503,501	2,330,237
Revaluation reserve		-	-
Accumulated Surplus/(Deficit)		#REF!	#REF!
Non-current liabilities		69,651,441	72,662,479
Long-term liabilities	2	69,651,441	72,662,479
Non-current provisions		-	-
Current liabilities		43,423,683	34,796,193
Consumer deposits	3	5,915,448	5,169,888
Provisions		-	-
Creditors	4	18,619,816	20,650,584
Unspent conditional grants and receipts	5	11,535,806	3,460,187
Taxes	6	1,269,762	-
Short-term loans		-	-
Bank overdraft	13	-	-
Current portion of long-term liabilities	2	6,082,851	5,515,534
Total Net Assets and Liabilities		#REF!	#REF!
ASSETS			
Non-current assets		151,019,818	126,864,826
Property, plant and equipment	9	140,217,261	114,492,843
Investment property		-	-
Investments		-	-
Long-term receivables	7	10,802,557	12,371,984
Current assets		196,241,186	151,116,399
Inventory	8	2,293,236	2,236,311
Consumer debtors	10	46,222,229	47,708,006
Unpaid conditional grants	11	11,366,758	9,249,459
Taxes	6	7,392,153	854,031
Current portion of long-term debtors	7	1,605,176	1,605,176
Call investment deposits	12	90,000,000	70,000,000
Bank balances and cash	13	37,361,633	19,463,415
Total Assets		347,261,004	277,981,225

SALDANHA BAY MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30th JUNE 2005

Budget			Actual		
2004	2005		2005	2004	
R	R		R	R	
		REVENUE			
-	-	Property rates	14 50,630,568	-	
-	-	Property rates - penalties imposed and collection charges	1,230,754	-	
-	-	Service charges	15 141,920,101	-	
-	-	Regional Services Levies – turnover	-	-	
-	-	Regional Services Levies - remuneration	-	-	
-	-	Rental of facilities and equipment	6,515,677	-	
-	-	Interest earned - external investments	8,272,587	-	
-	-	Interest earned - outstanding debtors	2,951,555	-	
-	-	Dividends received	-	-	
-	-	Fines	2,282,993	-	
-	-	Licences and permits	1,126,672	-	
-	-	Income for agency services	2,339,978	-	
-	-	Government grants and subsidies	16 28,556,034	-	
-	-	Other income	20,959,329	-	
-	-	Public contributions, donated and contributed property, plant and equipment	-	-	
-	-	Gains on disposal of property, plant and equipment	1,520,600	-	
-	-	Total Revenue	268,306,849	-	
		EXPENDITURE			
-	-	Employee related costs	17 69,910,260	-	
-	-	Remuneration of Councillors	18 2,334,881	-	
-	-	Bad debts	6,411,000	-	
-	-	Collection costs	-	-	
-	-	Depreciation	19,694,611	-	
-	-	Repairs and maintenance	10,617,522	-	
-	-	Interest paid	19 10,090,406	-	
-	-	Bulk purchases	20 54,862,129	-	
-	-	Contracted services	-	-	
-	-	Grants and subsidies paid	21 3,914,120	-	
-	-	General expenses	26,808,594	-	
-	-	Loss on disposal of property, plant and equipment	-	-	
-	-	Total Expenditure	204,643,522	-	
-	-	SURPLUS/(DEFICIT) FOR THE YEAR	63,663,327	-	
		Share of surplus/(deficit) of associate accounted for under the equity method	29 -	-	
-	-	NET SURPLUS/(DEFICIT) FOR THE YEAR	63,663,327	-	
Refer to Appendix E(1) for explanation of variances					

SALDANHA BAY MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2005

	<u>Pre-GAMAP Reserves and Funds R</u>	<u>Housing Development Fund R</u>	<u>Capital Replacement Reserve R</u>	<u>Capitalisation Reserve R</u>	<u>Government Grant Reserve R</u>	<u>Donations and Public Contribution Reserve R</u>	<u>Self- Insurance Reserve R</u>	<u>Revaluation Reserve R</u>	<u>Accumulated Surplus/ (Deficit) R</u>	<u>Total R</u>
2004										
Balance at 1 July 2003	-	-	-	-	-	-	-	-	-	-
Change in accounting policy (Note 31)	-	-	-	-	-	-	-	-	#REF!	#REF!
Restated balance	-	-	-	-	-	-	-	-	#REF!	#REF!
Net surplus/(deficit) for the year	-	-	-	-	-	-	-	-	-	-
Transfer to CRR	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment purchased	-	-	-	-	-	-	-	-	-	-
Capital grants used to purchase PPE	-	-	-	-	-	-	-	-	-	-
Donated/contributed PPE	-	-	-	-	-	-	-	-	-	-
Contribution to Insurance Reserve	-	-	-	-	-	-	-	-	-	-
Insurance claims processed	-	-	-	-	-	-	-	-	-	-
Transfer to Housing Development Fund	-	-	-	-	-	-	-	-	-	-
Offsetting of depreciation	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2004	-	-	-	-	-	-	-	-	#REF!	#REF!
2005										
Balance at 1 July 2003	175,515,357	-	-	-	-	-	-	-	14,528,514	190,043,871
Correction of error (Note 32)	-	-	-	-	-	-	-	-	#REF!	#REF!
Implementation of GAMAP (Note 30)	(175,515,357)	33,944,201	45,937,131	49,804,961	112,997,435	23,462,682	2,330,237	-	(112,482,610)	(19,521,318)
Offsetting of Backlog Depreciation	-	-	-	-4,527,603	(108,593,858)	(21,319,767)	-	-	134,441,228	-
Reallocation of public contributions (Note 30.5.2)	-	-	-	-	-	-	-	-	-	-
Change in accounting policy (Note 31)	-	-	-	-	-	-	-	-	#REF!	#REF!
Restated balance	-	33,944,201	45,937,131	45,277,358	4,403,577	2,142,914	2,330,237	-	#REF!	#REF!
Net surplus/(deficit) for the year	-	-	-	-	-	-	-	-	63,663,327	63,663,327
Transfer of Provision for Bad Debts.	-	-	-	-	-	-	-	-	-	-
Transfer to CRR	-	-	25,218,389	-	-	-	-	-	(25,218,389)	-
Property, plant and equipment purchased	-	-	(25,218,389)	-	-	-	-	-	25,218,389	-
Capital grants used to purchase PPE	-	-	-	-	20,141,506	59,134	-	-	(20,200,639)	-
Donated/contributed PPE	-	-	-	-	-	-	-	-	-	-
Contribution for the year	-	-	-	-	-	-	181,440	-	(181,440)	-
Insurance claims processed	-	-	-	-	-	-	(8,176)	-	8,176	-
Transfer to Housing Development Fund	-	2,508,218	-	-	-	-	-	-	(2,508,218)	-
Asset disposals	-	-	-	-	-	-	-	-	-	-
Offsetting of depreciation	-	-	-	(247,264)	(3,735,942)	(597,360)	-	-	4,580,566	-
Balance at 30 June 2005	-	36,452,420	45,937,131	45,030,095	20,809,140	1,604,688	2,503,501	-	#REF!	#REF!

SALDANHA BAY MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 R	2004 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		-	-
Cash paid to suppliers and employees		-	-
Cash generated from/(utilised in) operations	23	83,743,203	-
Interest received		8,272,587	-
Interest paid		(10,090,406)	-
NET CASH FROM OPERATING ACTIVITIES		81,925,384	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(45,419,029)	-
Proceeds on disposal of fixed assets		1,520,600	-
Increase in investment properties		-	-
(Increase)/decrease in non-current loans		1,569,426	-
Increase in non-current investments		-	-
(Increase)/Decrease in call investment deposits		(20,000,000)	-
NET CASH FROM INVESTING ACTIVITIES		(62,329,003)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		(2,443,722)	-
Increase in consumer deposits		745,560	-
Decrease/(increase) in short-term loans		-	-
NET CASH FROM FINANCING ACTIVITIES		(1,698,162)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		17,898,218	-
Cash and cash equivalents at the beginning of the year		19,463,415	-
Cash and cash equivalents at the end of the year		37,361,633	19,463,415
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		17,898,218	19,463,415

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	R	R
1 HOUSING DEVELOPMENT FUND		
Housing Development Fund	36,452,420	33,944,201
Unappropriated Surplus	36,452,420	33,944,201
Loans extinguished by Government on 1 April 1998	-	-
The Housing Development Fund is represented by the following assets and liabilities		
Property, plant and equipment (see note 10)	-	-
Housing selling scheme loans (see note 13)	-	-
Other Debtors	-	-
Unauthorised use of cash for other purposes	-	-
Bank and cash	-	-
Sub-total	-	-
Creditors	36,452,420	33,944,201
Total Housing Development Fund Assets and Liabilities	36,452,420	33,944,201
2 LONG-TERM LIABILITIES		
Local Registered Stock Loans	-	158,000
Annuity Loans	72,574,697	74,422,823
Capitalised Lease Liability	-	-
Government Loans : Other	3,159,595	3,597,191
Sub-total	75,734,292	78,178,013
Less : Current portion transferred to current liabilities	(6,082,851)	(5,515,534)
Local Registered Stock Loans	-	-
Annuity Loans	-5,583,889	-5,037,612
Capitalised Lease Liability	-	-
Government Loans : Other	(498,961)	(477,922)
Total External Loans	69,651,441	72,662,479
3 CONSUMER DEPOSITS		
Electricity	3,055,442	2,627,275
Water	2,860,006	2,542,614
Interest	-	-
Total Consumer Deposits	5,915,448	5,169,888
Guarantees held in lieu of Electricity and Water Deposits	1,031,578	977,418
4 CREDITORS		
Trade creditors	12,711,641	13,111,447
Staff leave	3,435,163	2,570,999
Payments received in advance	1,473,008	1,213,593
Control Account	892,123	3,458,304
Deposits: Other	107,880	296,241
Other creditors	-	-
Total Creditors	18,619,816	20,650,584

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 R	2004 R
5 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
5.1 Conditional Grants from other spheres of Government	10,223,231	2,241,130
MIG Grants	-	-
PAWC and State Funds: Various Projects	10,223,231	2,241,130
Provincial LED Projects	-	-
5.2 Other Conditional Receipts	1,312,575	1,219,057
Developers Contributions – Electricity	-	-
Public contributions	1,312,575	1,219,057
Total Conditional Grants and Receipts	11,535,806	3,460,187

See Note 16 for reconciliation of grants from other spheres of government. These amounts are invested in a ring-fenced investment until utilized

6 VAT

VAT payable	1,269,762	-
VAT receivable	7,392,153	854,031

VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.

7 LONG-TERM RECEIVABLES

Other	34,250	46,952
Sport Clubs	26,573	26,573
Sale of Land	2,630,748	2,892,950
Vehicle loans	1,375,787	2,134,174
Housing selling scheme loans	8,340,375	8,876,511
	12,407,733	13,977,160
Less : Current portion transferred to current receivables	1,605,176	1,605,176
Car loans	-	-
Sewerage connection loans	-	-
Total	1,605,176	1,605,176
Electricity appliance purchase scheme	-	-
Housing selling scheme loans	-	-
Total	10,802,557	12,371,984

CAR LOANS

Senior staff are entitled to car loans which attract interest at 8% per annum and which are repayable over a maximum period of 6 years.

8 INVENTORY

Consumable stores – at cost	-	-
Maintenance materials – at cost	-	-
Spare parts – at realisable value	2,293,236	2,236,311
Water – at cost	-	-
Other goods held for resale – at cost	-	-
Unsold properties held for resale – at realisable value	-	-
Total Inventory	2,293,236	2,236,311

All saleable properties are currently included as assets in Appendix B as Council is currently busy investigating the use of all it's properties.

2005

2004

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

10 CONSUMER DEBTORS

	R	R
Service debtors	-	-
Rates	-	-
Electricity	-	-
Water	-	-
Sewerage	-	-
Housing rentals	-	-
Control Account	-	-
Current debtors (Consumers and other)	63,543,281	58,737,668
Less : Provision for bad debts	-17,321,052	-11,029,662
Total	46,222,229	47,708,006

An amount of R119 610 were written off as bad debts during the year.

Trade Debtors: Ageing

Current (0 – 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	-
121 - 365 Days	-	-
+ 365 Days	-	-
Total	-	-

Levy Debtors: Ageing

Current (0 – 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	-
121 - 365 Days	-	-
+ 365 Days	-	-
Total	-	-

Housing rentals: Ageing

Current (0 – 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	-
121 - 365 Days	-	-
+ 365 Days	-	-
Total	-	-

Summary of Debtors by Customer Classification

30 June 2005

	<u>Consumers</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
	R	R	R
Current (0 – 30 days)	-	-	-
31 - 60 Days	-	-	-
61 - 90 Days	-	-	-
91 - 120 Days	-	-	-
121 - 365 Days	-	-	-
+ 365 Days	-	-	-
Sub-total	-	-	-
Less: Provision for bad debts	-	-	-
Total debtors by customer classification	-	-	-

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Summary of Debtors by Customer Classification

30 June 2004

	<u>Consumers</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
	R	R	R
Current	-	-	-
Current (0 – 30 days)	-	-	-
31 - 60 Days	-	-	-
61 - 90 Days	-	-	-
91 - 120 Days	-	-	-
121 - 365 Days	-	-	-
Sub-total	-	-	-
Less: Provision for bad debts	-	-	-
Total debtors by customer classification	-	-	-

11 OTHER DEBTORS

	2005	2004
	R	R
Payments made in advance	-	-
Unauthorized expenditure (see Note 35)	-	-
Fruitless and wasteful expenditure (see Note 35)	-	-
Unpaid conditional Grants	11,366,758	9,249,459
Insurance claims	-	-
Government subsidies	-	-
Total Other Debtors	11,366,758	9,249,459

12 CALL INVESTMENT DEPOSITS

Call deposits	90,000,000	70,000,000
Other Deposits	-	-
Average Rate of Return on Investments	7.80%	9.00%

Deposits of R45 937 131 are ring-fenced and attributable to the Capital Replacement Reserve.

13 BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank accounts: -

Current Account (Primary Bank Account)

ABSA Bank Limited - Cheque Account - Vredenburg Branch
Account Number 1300152100

Cash book balance at beginning of year	19,463,415	8,737,479
Cash book balance at end of year	37,361,633	19,463,415
Bank statement balance at beginning of year	21,197,976	-
Bank statement balance at end of year	40,341,148	21,197,976

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

14 PROPERTY RATES	2005	2004
	R	R
<u>Actual</u>		
Property Rates: Zero Rate/Eienaarsbelasting Nulkoers	-935,266.12	-
Property Rates: Pensioners/Eienaarsbelasting : Pensioenarisse	-42,535.85	-
Property Rates: Pensioners/Eienaarsbelasting : Pensioenarisse	42,535.85	-
Building Clause Levy/Bouklousule Heffing	72,222.17	-
Contribution: Housing/Bydrae : Behuisingskemas	12,230.74	-
Property Rates/Eienaarsbelasting	50,594,083.77	-
Property Rates: Zero Rate/Eienaarsbelasting Nulkoers	935,266.12	-
Property Rates: Government Contributions/Eienaarsbelasting : Staatsbydraes	25,823.86	-
Previous Year Levies/Vorige jare heffings	(73,792)	-
Commercial	-	-
State	-	-
Total Assessment Rates	50,630,568	-
<u>Valuations</u>	<u>July 2004</u>	<u>July 2003</u>
	<u>R000's</u>	<u>R000's</u>
Residential	2,460,316,621	-
Small Holdings	66,942,400	-
Commercial	868,146,810	-
State	412,229,500	-
Farms	178,409,270	-
Total Property Valuations	3,986,044,601	-

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2002. Rebates of 50% are granted to residential and 20% to state property owners. Single Home - 50%, Small Holdings - 50%, Zoned for Farming < 50 Ha - 50%, Zoned for Farming > 50 Ha - 97.4%, Nature Reserves < 50 Ha - 75%. Rates are levied on an annual basis with the final date of payment being 30 September 2005. On application, rate payers may pay monthly. Interest at 11% per annum is levied on outstanding rates.

General Rates	Land	Buildings
WCPTC & Hopefield	R 0.03972900	R 0.01324300
Langebaan	R 0.03323700	R 0.01107900

15 SERVICE CHARGES

Garden Refuse Removals/Tuinvullisverwyderings	21,969.61	-
Refuse Removal Levies/Vullisverwyderingsgelde	13,326,793.94	-
Refuse Removal /Vullisverwydering-Langebaanweg	286,527.60	-
Refuse Sites outside Municipal Boundaries /Vullisstorting-Buite Regsgebied	81,716.95	-
Refuse Removals/Vullisverwydering : "Skips"	696,415.62	-
Basic Services/Basiese (Minimum) Beskikbaarheidsg	1,228,664.77	-
Departmental Usage/Departementeel : Verbruik	70,896.36	-
Pump Removals Levies/Pompings Verwyderingsgelde	412,561.25	-
Connection Fees/Aansluitingsgelde	39,701.40	-
Basic Services/Basiese (Minimum) Beskikbaarheidsg	7,917,647.53	-
Departmental: Basic Levies/Departementeel: Basiese(Min.)Heffi	30,444.24	-
Departmental Levies/Departementeel : Vloiegelde	44,126.82	-
Clear Blockages/Opruim van Verstoppings	3,791.58	-
Sewerage Levies: Industrial (Basic)/Rioolgelde:Nat Nywerhede (Basiese	1,578,335.09	-
Sewerage Removal Levies - Housing/Riool Verwyderingsgelde - Behuisin	5,805.63	-
Previous Year Levies/Vorige jare heffings	12,575.31	-
Sewerage Removal Levies/Rioolverwyderingsgelde - Vloiegeld	3,525,814.95	-
Water sold - Purified Sewerage Water/Waterverkope-Gesuiwerde Rioolwater	63,766.98	-

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	R	R
Previous Year Levies/Vorige jare heffings	243.94	
Connection Fees/Aansluitingsgelde	495,521.35	
Basic Levies/Basiese (Minimum) Heffings	5,163,265.70	
Basic Departmental Levies/Basiese(Minimum) Dept. Gelde	54,385.24	
Availability Levies/Beskikbaarheidsgelde	2,023,416.76	
Departmental Usage/Departementeel : Verbruik	1,142,420.78	
Sundry/Diverse	957.97	
Reconnection Levies/Heraansluitingsgelde	78,183.62	
Testing Meters/Toets van Meters	352.64	
Water: Zero Rate/Water : Nulkoers	3,727,800.00	
Water sold/Waterverkope	41,490,787.30	
Previous Year Levies/Vorige jare heffings	-125,340.19	
Water sold/Water : Nulkoers	-3,727,800.00	
Previous Year Levies/Vorige jare heffings	32,128.19	
Connection Fees/Aansluitingsgelde	1,053,500.86	
Basic Levies/Basiese (Minimum) Heffings	8,251,483.61	
Basic Departmental Levies/Basiese(Minimum) Dept. Gelde	625,384.86	
Budget Meters/Begrotingsmeters	10,368,955.27	
Availability Levies/Beskikbaarheidsgelde	665,705.51	
Departmental Usage/Departementeel : Verbruik	1,660,405.56	
Sundry/Diverse	26,859.84	
Electricity Sold/Elektrisiteit Verkope	38,599,955.51	
5% Levies on DSP Accounts/5% Heffing op DSP Rekening	662,349.40	
Reconnection Levies/Heraansluitingsgelde	293,628.16	-
Monthly Extension Levies/Maandelikse Uitbreidingsgelde	7,693.59	
Testing Meters/Toets van Meters	300.00	-
Total Service Charges	141,922,106	2,004

16 GOVERNMENT GRANTS AND SUBSIDIES

Finance Management Grant	252,737.35	-
Management Support Program/Bestuursondersteuningsprogram	324,328	-
Capital Donations/Kapitaalskenkings	19,650,681	-
Public Contributions/Kapitaalbydraes - Publiek	59,134	-
Skill Development Program/Vaardigheidsontwikkeling(Seta)	5,491	-
VUNA Awards/TOEKENNING	679,923	-
Vuna Capital Spending/Kapitaalspandering	70,077	-
Ward Committee Establishment /Wykskomitee Instelling	7,294	-
Transfer Award/Oorgangstoekenning	237,000	-
Overspend Conditional Grants to Debtors	2,117,299	-
Equitable Share/Deernis Huishoudings	4,350,394	-
MSIG Funds/Fondse	186,207	
TASK - Payments/TERUGBETALING	224,147	
Provincial Administration/Prov Administrasie - "Sopkombuis"	8,709	
Department of Sport and Recreation/Dept Sport en Rekreasie	183,748	-
Contribution/Bydrae - Western Cape Cleanup Operation	198,865	-
Total Government Grant and Subsidies	28,556,034	-

16.1 Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy, which is funded from this grant.

	2005	2004
Timbercity,Middelpos, Whitecity	72	78
Langville	97	104
Formal areas	93	107

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	R	R
16 GOVERNMENT GRANTS AND SUBSIDIES (continued)		
16.2 Provincial Health Subsidies		
Balance unspent at beginning of year	-	-
Current year receipts - included in public health vote	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 7)	-	-

The Municipality renders health services on behalf of the Provincial Government and is refunded approximately 80% of total expenditure incurred. This grant has been used exclusively to fund clinic services (included in the public health vote in Appendix D). The conditions of the grant have been met. There was no delay or withholding of the subsidy

16.3 MIG Grant

Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 7)	-	-

This grant was used to construct roads and sewerage infrastructure as part of the upgrading of informal settlement areas (included in the roads and sewerage votes in Appendix B). No funds have been withheld.

16.4 Provincial LED Projects

Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 7)	-	-

Provincial LED Projects grants are used to promote Small, Medium and Micro Enterprises. The grant is spent in accordance with a business plan approved by the Provincial Government (included in Council General vote in Appendix D). No funds have been withheld.

16.5 Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, (Act ...of 2005), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

17 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages	57,477,408	-
Employee related costs - Contributions for UIF, pensions and medical aids	12,444,276	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime Payments	-	-
Performance bonus	-	-
Long-service awards	-	-
Less: Employee costs capitalised to Property, Plant and Equipment	(11,425)	-
Less: Employee costs included in other expenses	-	-
Total Employee Related Costs	69,910,260	-
Remuneration of the Municipal Manager		
Annual Remuneration	547,664	-
Performance Bonuses	88,720	-
Car Allowance	-	-
Contributions to UIF, Medical and Pension funds	-	-
Total	636,384	-

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	R	R
Remuneration of the Chief Finance Officer		
Annual Remuneration	202,096	-
Annual Bonuses	16,963	-
Car Allowance	81,606	-
Contributions to UIF, Medical and Pension funds	66,585	-
Total	367,250	-

Remuneration of Individual Executive Directors

30 June 2005	<u>Technical</u> <u>Services</u>	<u>Corporate</u> <u>Services</u>	<u>Community</u> <u>Services</u>
	R	R	R
Annual Remuneration	399,272	459,463	390,374
Performance Bonuses	71,147	61,485	61,836
Car Allowance	-	-	-
Medical and pension funds	-	-	-
Total	470,419	520,948	452,210

30 June 2004	<u>Technical</u> <u>Services</u>	<u>Corporate</u> <u>Services</u>	<u>Community</u> <u>Services</u>
	R	R	R
Annual Remuneration	-	-	-
Performance Bonuses	-	-	-
Car Allowance	-	-	-
Medical and pension funds	-	-	-
Total	-	-	-

18 REMUNERATION OF COUNCILLORS

Executive Mayor	288,584	277,144
Deputy Executive Mayor	240,372	231,890
Speaker	238,921	227,403
Mayoral Committee Members	650,866	454,751
Councillors	812,585	980,444
Councillors' pension contribution	-	-
Telephone Allowance	-	-
Medical Fund Contributions	-	-
Travelling allowance	-	-
Housing allowance	-	-
Personal Facility allowance	-	-
Total Councillors' Remuneration	2,231,329	2,171,633

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. Remuneration is in the higher limits of the framework set in accordance with sec. 219 of the Constitution.

19 INTEREST PAID

Long-term liabilities	-	-
Interest Paid	10,090,406	-
Consumer deposits	-	-
Finance leases	-	-
Bank overdrafts	-	-
Total Interest on External Borrowings	10,090,406	-

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	R	R
20 BULK PURCHASES		
Electricity	34,721,095.24	-
Water	20,141,033.39	-
Total Bulk Purchases	54,862,129	-

21 GRANTS AND SUBSIDIES PAID

Equitable Share	3,914,120	-
Total Grants and Subsidies	3,914,120	-

2004
R

22 CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GAMAP

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP: -

22.1 Statutory Funds

Balance previously reported: -

Capital Development Fund	94,092,572
Land Trust Fund	-
Infrastructure Development Fund	-
Housing operating Fund	33,944,201
Total	128,036,774

Implementation of GAMAP

Transferred to the Capital Replacement Reserve	45,937,131
Transferred to the Capitalisation Reserve	49,804,961
Transferred to the Housing Development Fund	33,944,201
Transferred to Accumulated Surplus/(Deficit) (see 30.8 below)	(1,649,520)
Total	128,036,774

22.2 Loans Redeemed and Other Capital Receipts

Balance previously reported	300,617,284
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Implementation of GAMAP

Transferred to Government Grant Reserve	112,997,435
Transferred to Debtors - Conditional Grants outstanding	-
Assets transferred from B-Municipalities	-
Transferred to Donations and Public Contribution Reserve	23,462,682
Transferred to Accumulated Surplus/(Deficit) (see 30.8 below)	164,157,167
Total	300,617,284

22.3 Provisions and Reserves

Balance previously reported	47,478,583
Total	47,478,583

Implementation of GAMAP

Transferred to Creditors - Unspent Government Grants	2,241,130
Transferred to Creditors - Unspent Public Contributions	1,219,057
Transferred to Self Insurance Reserve	2,330,237
Transferred to Creditors - Staff leave	2,570,999
Transferred to Accumulated Surplus/(Deficit) (see 30.8 below)	39,117,160

2004
R

22 CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GAMAP (continued)

22.4 Inventory

Balance previously reported	-
Implementation of GAMAP	
Transferred to Accumulated Surplus/(Deficit) (see 30.8 below)	-
Water previously expensed now shown as inventory	-
Write-down of spare parts to realisable value	-
Write-down of unsold properties to realisable value	-
Total	-

22.5 Non-current provisions

Balance previously reported	-
Implementation of GAMAP	
Transferred from Accumulated Surplus/(Deficit) (see 30.8 below)	-
Landfill	-
Long-service	-
Total	-

22.6 Property, plant and equipment

Balance previously reported	-
Implementation of GAMAP	
Assets	
Infrastructure previously not recorded credited to Accumulated Surplus/(Deficit) (see 30.8 below)	-
Total	-

22.7 Accumulated Depreciation

Balance previously reported	-
Implementation of GAMAP	
Backlog depreciation: Land and buildings	-
Backlog depreciation: Infrastructure	(201,962,493)
Backlog depreciation: Community	(37,587,807)
Backlog depreciation: Other	(74,557,116)
Backlog depreciation: Housing Development Fund	-
Total (debited to Accumulated Surplus/(Deficit)) (see 30.8 below)	(314,107,416)

22.8 Accumulated Surplus/(Deficit)

Implementation of GAMAP	
Adjustments to inventory (see 30.4 above)	-
Excessive provisions and reserves no longer permitted (see 30.3 above)	39,117,160
Non-current provisions previously not recognised (see 30.5 above)	-
Transferred from statutory funds (see 30.1 above)	(1,649,520)
Transferred from Loans Redeemed and Other Capital Receipts (see 30.2 above)	164,157,167
Fair value of Property, Plant and Equipment previously not recorded (see 30.6 above)	-
Backlog depreciation (see 30.7 above)	(314,107,416)
Total	(112,482,610)

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 R	2004 R
23 CASH GENERATED BY OPERATIONS		
Surplus for the year	63,663,327	-
Adjustment for:-		
Depreciation	19,694,611	-
Gain on disposal of property, plant and equipment	(1,520,600)	-
Contribution to provisions - non-current	-	-
Contribution to provisions – current	-	-
Contribution to bad debt provision	6,411,000	-
Debt written off against Bad Debt Provision	(119,609)	-
Equity accounted share of associate's surplus	-	-
Investment income	(8,272,587)	-
Interest paid	10,090,406	-
Operating surplus before working capital changes:	89,946,549	-
Decrease in inventories	(56,926)	-
(Increase)/decrease in debtors	(4,805,613)	-
(Increase)/decrease in other debtors	(2,117,299)	-
(Decrease)/increase in unspent conditional grants and receipts	8,075,619	-
Increase in creditors	(2,030,768)	-
Decrease in provisions	-	-
(Increase)/decrease in VAT	(5,268,360)	-
Cash generated by/(utilised in) operations	83,743,203	-

During the implementation of GAMAP, only 2004 figures were converted to GRAP. No comparison 2003 figures was converted, thus no Cash Flow Statement could be compiled.

24 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position:

Bank balances and cash	37,361,633	19,463,415
Bank overdraft	-	-
Total cash and cash equivalents	37,361,633	19,463,415

25 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term liabilities (see Note 2)	75,734,292	78,178,013
Used to finance property, plant and equipment – at cost	-	-
Sub- total	75,734,292	78,178,013
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities (see note 17)	75,734,292	78,178,013

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

	2005	2004
	R	R
26 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		

Unauthorised expenditure

Reconciliation of unauthorised expenditure

Opening balance	-	-
Unauthorised expenditure current year	-	-
Approved by Council or condoned	-	-
Transfer to receivables for recovery (note 22)	-	-
Unauthorised expenditure awaiting authorisation	-	-
	<u>-</u>	<u>-</u>

Incident	Disciplinary steps/criminal proceedings

Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	-
To be recovered – contingent asset (see note 40)	-	-
Fruitless and wasteful expenditure awaiting condonement	-	-
	<u>-</u>	<u>-</u>

Incident	Disciplinary steps/criminal proceedings

Irregular expenditure

Reconciliation of irregular expenditure

Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	-
Transfer to receivables for recovery – not condoned	-	-
Irregular expenditure awaiting condonement	-	-
	<u>-</u>	<u>-</u>

Incident	Disciplinary steps/criminal proceedings

27 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

27.1 Contributions to organized local government

Opening balance	-	-
Council subscriptions	-	-
Amount paid - current year	134,003	-
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	<u>134,003</u>	<u>-</u>

No amounts was outstanding at year-end.

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 R	2004 R
27 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Continue)		
<u>27.2 Audit fees</u>		
Opening balance	632,411	-
Current year audit fee	560,000	632,411
Amount paid - current year	(632,411)	-
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	560,000	632,411

The balance unpaid represents the audit fee for an interim audit conducted during May and June 2005 and is payable by 31 July 2005

27.3 VAT

VAT inputs receivables and VAT outputs receivables are shown in note 8. All VAT returns have been submitted by the due date throughout the year.

27.4 PAYE and UIF

Opening balance	-	-
Current year payroll deductions	-	-
Amount paid - current year	-	-
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

27.5 Pension and Medical Aid Deductions

Opening balance	-	-
Current year payroll deductions and Council Contributions	-	-
Amount paid - current year	10,856,509	-
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	10,856,509	-

No amounts was outstanding at year-end.

27.6 Other - SA Music Rights, District Municipality Levies and Skill Development Levies

Opening balance	-	-
Current year payroll deductions and Council Contributions	-	-
Amount paid - current year	712,950	-
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	712,950	-

No amounts was outstanding at year-end.

27.7 Councillor's arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at: -

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

30 June 2005	<u>Total</u>	<u>Outstanding less than 90 days</u>	<u>Outstanding more than 90 days</u>
Councillor	-	-	-
Councillor	-	-	-
Councillor	-	-	-
Total Councillor Arrear Consumer Accounts	-	-	-

30 June 2004	<u>Total</u>	<u>Outstanding less than 90 days</u>	<u>Outstanding more than 90 days</u>
Councillor	-	-	-
Councillor	-	-	-
Councillor	-	-	-
Total Councillor Arrear Consumer Accounts	-	-	-

During the year the following Councillors' had arrear accounts outstanding for more than 90 days

	<u>Highest Amount Outstanding</u>	<u>Ageing</u>
30 June 2005		
Councillor	-	days
Councillor	-	days
Councillor	-	days
Councillor	-	days
30 June 2004		
Councillor	-	days
Councillor	-	days
Councillor	-	days
Councillor	-	days

No individual Councillors had arrear accounts for more than 90 days.

	2005 R	2004 R
28 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- Approved and contracted for	48,068,810	31,913,777
<i>Infrastructure</i>	-	-
<i>Community</i>	-	-
<i>Heritage</i>	-	-
<i>Other</i>	-	-
<i>Housing Development Fund</i>	-	-
<i>Investment Properties</i>	-	-
- Approved but not yet contracted for	73,086,527	920,000
<i>Infrastructure</i>	-	-
<i>Community</i>	-	-
<i>Heritage</i>	-	-
<i>Other</i>	-	-
<i>Housing Development Fund</i>	-	-
<i>Investment Properties</i>	-	-
Total	121,155,337	32,833,777

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

This expenditure will be financed from:

- External Loans	-	-
- Capital Replacement Reserve	50,370,527	18,566,277
- Government Grants	70,784,810	14,267,500
- Own resources	-	-
- District Council Grants	-	-
	<u>121,155,337</u>	<u>32,833,777</u>

29 RETIREMENT BENEFIT INFORMATION

Council and employees contribute mainly to the Cape Joint Pension fund / Provident fund. Councillors may belong to an own pension fund.

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

9. PROPERTY, PLANT AND EQUIPMENT

30 June 2005

Reconciliation of Carrying Value	<u>Land and Buildings</u>	<u>Infra-structure</u>	<u>Community</u>	<u>Heritage</u>	<u>Other</u>	<u>Housing Develop. Fund</u>	<u>Leased infrastructure</u>	<u>Total</u>
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2004	-	64,680,008	13,430,053	-	35,253,267	-	-	113,363,328
Cost	-	266,642,501	51,017,860	-	109,810,383	-	-	427,470,744
Correction of error (note 32)	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(201,962,493)	(37,587,807)	-	(74,557,116)	-	-	(314,107,416)
- Cost	-	(201,962,493)	(37,587,807)	-	(74,557,116)	-	-	(314,107,416)
- Revaluation	-	-	-	-	-	-	-	-
Acquisitions	-	27,214,576	8,220,921	-	11,113,047	-	-	46,548,543
Capital under Construction	-	-	-	-	-	-	-	-
Increases/decreases in revaluation	-	-	-	-	-	-	-	-
Depreciation	-	(11,616,883)	(1,273,633)	-	(6,804,094)	-	-	(19,694,611)
- based on cost	-	(11,616,883)	(1,273,633)	-	(6,804,094)	-	-	(19,694,611)
- based on revaluation	-	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	-	-	-	-
Cost/revaluation	-	-	-	-	(49,261)	-	-	(49,261)
Non-Capital (Cost)	-	-	-	-	(7,832,477)	-	-	(7,832,477)
Accumulated depreciation	-	-	-	-	7,881,738	-	-	7,881,738
Impairment losses	-	-	-	-	-	-	-	-
Correction of error	-	-	-	-	-	-	-	-
	-	80,277,701	20,377,341	-	39,562,219	-	-	140,217,261
Carrying values at 30 June 2005	-	80,277,701	20,377,341	-	39,562,219	-	-	140,217,261
Cost	-	293,857,077	59,238,781	-	113,041,691	-	-	466,137,549
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(213,579,376)	(38,861,440)	-	(73,479,472)	-	-	(325,920,288)
- Cost	-	(213,579,376)	(38,861,440)	-	(73,479,472)	-	-	(325,920,288)
- Revaluation	-	-	-	-	-	-	-	-

9. PROPERTY, PLANT AND EQUIPMENT (continued)

30 June 2004

Reconciliation of Carrying Value	<u>Land and Buildings</u>	<u>Infra-structure</u>	<u>Community</u>	<u>Heritage</u>	<u>Other</u>	<u>Housing Develop. Fund</u>	<u>Leased infrastructure</u>	<u>Total</u>
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2003	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-
- Revaluation	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-
Capital under construction	-	-	-	-	-	-	-	-
Increases/decreases in revaluation	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
- based on cost	-	-	-	-	-	-	-	-
- based on revaluation	-	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	-	-	-	-
Cost/revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Carrying values at 30 June 2004	-	64,680,008	13,430,053	-	35,253,267	-	-	113,363,328
Cost	-	266,642,501	51,017,860	-	109,810,383	-	-	427,470,744
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(201,962,493)	(37,587,807)	-	(74,557,116)	-	-	(314,107,416)
- Cost	-	(201,962,493)	(37,587,807)	-	(74,557,116)	-	-	(314,107,416)
- Revaluation	-	-	-	-	-	-	-	-

APPENDIX A

SALDANHA BAY MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2005

EXTERNAL LOANS			Loan Number	Redeemable	Balance at 30/06/04	Received during the period	Redeemed written off during the period	Balance at 30/06/05	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
					R	R	R	R	R	R
LONG-TERM LOANS										
C.M.B. Nominees (Pty) Ltd	AA 235-12-14	31/12/2005			1,000	-	1,000	-	-	-
ABSA Nominees (Pty) Ltd.	AA 235-12-14	31/12/2005			157,000	-	157,000	-	-	-
Total long-term loans					158,000	-	158,000	-	-	-
ANNUITY LOAN										
Loans to Local Government	AA 3701-12-20				178,707	-	26,030	152,677	-	-
Loans to Local Government	AA 370-12-20	2009			111,487	-	14,807	96,681	-	-
Loans to Local Government	AA 370-12-20	2009			108,506	-	14,411	94,096	-	-
Loans to Local Government	AA 370-12-20	2009			242,841	-	32,274	210,567	-	-
Loans to Local Government	AA 370-12-20	2009			168,369	-	22,408	145,961	-	-
Loans to Local Government	RB 48/10	2010			1,579,477	-	167,403	1,412,075	-	-
Loans to Local Government					3,687,561	-	362,510	3,325,050	-	-
Dept. of Water affairs	AA 3701-12-20				224,461	-	11,337	213,124	-	-
Development Bank SA	Projek 10879	(Elek)			6,439,182	-	166,337	6,272,845	-	-
Development Bank SA	Projek 10710	(Infrastruktuur)			7,149,476	-	184,687	6,964,789	-	-
Development Bank SA	Projek 10877	(Water infras.)			1,509,534	-	38,993	1,470,541	-	-
Development Bank SA	Projek 10880	(Elek.)			2,100,705	-	54,264	2,046,441	-	-
Development Bank SA	Projek 10900	(Oorbrugging)			4,630,962	-	119,629	4,511,333	-	-
Development Bank SA	Projek 10859	(Burgersentrum)			4,480,561	-	114,809	4,365,753	-	-
Development Bank SA	Projek 13320	(Strate/Stormw)			4,481,994	-	757,515	3,724,480	-	-
Development Bank SA	Projek 13321	(Grond /Dienste)			1,857,583	-	417,842	1,439,741	-	-
Development Bank SA	Projek 10878	(Riool)			890,565	-	23,005	867,560	-	-
Development Bank SA	Projek 13435	(Grond /Dienste)			2,331,260	-	213,888	2,117,373	-	-
Development Bank SA	Projek 13437	(Paaie)			3,988,924	-	366,325	3,622,599	-	-
Development Bank SA	Projek 13439	(Water infras.)			1,007,916	-	92,291	915,624	-	-
Development Bank SA	Projek 13440	(Opgaardamme)			3,400,978	-	312,744	3,088,233	-	-
Development Bank SA	Projek 13441	(Sanitasie)			5,776,355	-	531,589	5,244,766	-	-
Development Bank SA	Langebaan	(Bungalows)			385,513	-	9,895	375,618	-	-
Development Bank SA	1/8:11929/1	2013			803,143	-	40,724	762,419	-	-
Development Bank SA	1/9,3/6:11931/1	2009			53,311	-	7,141	46,171	-	-
Development Bank SA	1/10:11930/1	2015			23,048	-	987	22,060	-	-
Development Bank SA	Projek 100394				5,200,000	-	332,472	4,867,528	-	-
Development Bank SA	Projek 101315/1				6,000,000	-	357,590	5,642,410	-	-
Development Bank SA	Projek 101783/1				0	3,500,000	0	3,500,000	-	-
ABSA		30/06/2011			5,575,609	-	524,762	5,050,848	-	-
FNB	7/4	2014			34,795	-	29,459	5,336	-	-
Total annuity loans					74,422,823	3,500,000	5,348,126	72,574,697	-	-
GOVERNMENT LOANS										
Council - External Loan - Housing					3,597,191	-	437,596	3,159,595	-	-
Total Government Loans					3,597,191	-	437,596	3,159,595	-	-
LEASE LIABILITY										
					-	-	-	-	-	-
Total Government Loans					-	-	-	-	-	-
TOTAL EXTERNAL LOANS					78,178,013	3,500,000	5,943,722	75,734,292	-	-

APPENDIX B
SALDANHA BAY MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2005

	Cost/Revaluation					Accumulated Depreciation				Carrying Value	Budget Additions 2004
	Opening Balance	Additions	Corrections	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
Land and Buildings											
Land	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Infrastructure											
Drains	-	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
AIRPT AIRPORTS	1,366,719	-	-	-	1,366,719	1,203,079	41,008	-	1,244,087	122,632	-
ELEC ELECTRICITY	69,072,129	6,362,961	-	-	75,435,089	57,741,191	2,342,299	-	60,083,490	15,351,599	-
PEDES PEDESTRIAN MALLS	7,034,447	2,824,243	-	-	9,858,690	3,390,165	387,747	-	3,777,912	6,080,778	-
ROADS ROADS	71,218,830	4,988,175	-	-	76,207,005	54,386,155	4,091,349	-	58,477,504	17,729,502	-
SECM SECURITY MEASURES	4,293,775	426,446	-	-	4,720,221	3,532,910	494,989	-	4,027,898	692,323	-
SEWER SEWERAGE	55,793,672	8,680,073	-	-	64,473,745	41,613,204	2,051,363	-	43,664,567	20,809,178	-
WATER WATER	57,862,929	3,932,678	-	-	61,795,607	40,095,789	2,208,129	-	42,303,918	19,491,689	-
Beach Improvements	-	-	-	-	-	-	-	-	-	-	-
Sewerage Mains & Purif	-	-	-	-	-	-	-	-	-	-	-
Electricity Mains	-	-	-	-	-	-	-	-	-	-	-
Electricity Peak Load Equip	-	-	-	-	-	-	-	-	-	-	-
Water Mains & Purification	-	-	-	-	-	-	-	-	-	-	-
Reservoirs – Water	-	-	-	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	-	-	-	-
Water Mains	-	-	-	-	-	-	-	-	-	-	-
	266,642,501	27,214,576	-	-	293,857,077	201,962,493	11,616,883	-	213,579,376	80,277,701	-
Community Assets											
Parks & Gardens	-	-	-	-	-	-	-	-	-	-	-
BUILDINGS - COMMUNITY	40,699,279	7,929,587	-	-	48,628,866	29,520,084	980,704	-	30,500,788	18,128,079	-
RECFC RECREATIONAL FACILITIES	10,318,580	291,334	-	-	10,609,914	8,067,723	292,929	-	8,360,652	2,249,262	-
Libraries *	-	-	-	-	-	-	-	-	-	-	-
Recreation Grounds	-	-	-	-	-	-	-	-	-	-	-
Civic Buildings	-	-	-	-	-	-	-	-	-	-	-
	51,017,860	8,220,921	-	-	59,238,781	37,587,807	1,273,633	-	38,861,440	20,377,341	-
Heritage Assets											
Historical Buildings	-	-	-	-	-	-	-	-	-	-	-
Painting & Art Galleries	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Total carried forward	317,660,361	35,435,497	-	-	353,095,857	239,550,300	12,890,516	-	252,440,816	100,655,041	-

* Includes correction of error referred to in Note 32.

SALDANHA BAY MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2004[illegible]

APPENDIX C
SALDANHA BAY MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
30 June 2005

	Cost					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Executive & Council	578,462	63,815	-	-	642,277	439,870	71,923	-	511,793	130,484
Finance & Admin	60,463,924	4,987,515	-	-	65,451,440	37,877,224	1,757,836	-	39,635,061	25,816,379
Planning & Development	3,291,042	391,785	-	-	3,682,827	2,402,233	365,222	-	2,767,456	915,372
Health	973,504	-	-	15,730	989,234	827,086	73,220	15,730	916,036	73,198
Community & Social Services	4,454,015	660,958	-	-	5,114,972	1,950,197	205,823	-	2,156,020	2,958,952
Housing	1,861,337	1,893,641	-	-	3,754,978	1,574,462	100,519	-	1,674,981	2,079,997
Public Safety	1,463,705	247,199	-	-	1,710,904	910,005	77,771	-	987,776	723,128
Sport & Recreation	44,102,981	7,115,455	-	32,614	51,251,050	34,918,302	1,721,428	32,614	36,672,344	14,578,706
Environmental Protection	489,895	10,273	-	-	500,169	283,998	62,843	-	346,841	153,328
Waste Management	70,892,052	10,645,515	-	71,518	81,609,084	53,018,940	3,293,525	71,518	56,383,983	25,225,101
Road Transport	98,022,569	8,886,768	-	7,761,877	114,671,214	71,987,925	5,735,698	7,761,877	85,485,500	29,185,714
Water	61,036,176	4,371,834	-	-	65,408,010	42,357,407	2,568,548	-	44,925,954	20,482,056
Electricity	74,583,027	6,475,857	-	-	81,058,885	61,645,993	2,923,772	-	64,569,764	16,489,121
Other	5,258,053	797,929	-	-	6,055,982	3,913,773	736,483	-	4,650,256	1,405,726
TOTAL	427,470,744	46,548,543	-	7,881,738	481,901,026	314,107,416	19,694,611	7,881,738	341,683,765	140,217,261

APPENDIX D

**SALDANHA BAY MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30 June 2005**

2004 Actual Income	2004 Actual Expenditure	2004 Surplus/ (Deficit)		2005 Actual Income	2005 Actual Expenditure	2005 Surplus/ (Deficit)
R	R	R		R	R	R
		-	Executive & Council	29,265,854	19,028,804	10,237,050
		-	Finance & Admin	62,834,788	26,401,994	36,432,794
		-	Planning & Development	2,032,114	3,019,919	(987,805)
		-	Health	2,421,217	4,501,981	(2,080,764)
		-	Community & Social Services	277,737	4,823,292	(4,545,555)
		-	Housing	3,682,708	2,064,339	1,618,368
		-	Public Safety	59,712	960,070	(900,358)
		-	Sport & Recreation	5,424,969	12,442,659	(7,017,690)
		-	Environmental Protection	2,343,446	2,288,138	55,307
		-	Waste Management	31,200,665	22,911,716	8,288,949
		-	Road Transport	5,966,440	20,047,814	(14,081,374)
		-	Water	51,985,952	30,256,002	21,729,950
		-	Electricity	62,486,291	49,288,753	13,197,538
		-	Other	8,324,957	16,021,285	(7,696,328)
-	-	-	Sub Total	268,306,849	214,056,768	54,250,081
-	-	-	Less Inter-Dep Charges	-	(9,413,246)	9,413,246
-	-	-	Total	268,306,849	204,643,522	63,663,327
		-	Add: Share of Associate			-
		-				63,663,327

APPENDIX E(1)

SALDANHA BAY MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2005

		2005	2005	2005	2005	Explanation of Significant Variances
REVENUE		Actual (R)	Budget (R)	Variance (R)	Variance (%)	greater than 10% versus Budget
Property rates		50,630,568	-	50,630,568	0.00%	(Explanations to be recorded)
Property rates - penalties imposed and collection charges		1,230,754	-	1,230,754	0.00%	
Service charges		141,920,101	-	141,920,101	0.00%	
Regional Services Levies - turnover		-	-	-	0.00%	
Regional Services Levies - remuneration		-	-	-	0.00%	
Rental of facilities and equipment		6,515,677	-	6,515,677	0.00%	
Interest earned - external investments		8,272,587	-	8,272,587	0.00%	
Interest earned - outstanding debtors		2,951,555	-	2,951,555	0.00%	
Dividends received		-	-	-	0.00%	
Fines		2,282,993	-	2,282,993	0.00%	
Licences and permits		1,126,672	-	1,126,672	0.00%	
Income for agency services		2,339,978	-	2,339,978	0.00%	
Government grants and subsidies		28,556,034	-	28,556,034	0.00%	
Other income		20,959,329	-	20,959,329	0.00%	
Public contributions, donated/contributed PPE		-	-	-	0.00%	
Gains on disposal of property, plant and equipment		1,520,600	-	1,520,600	0.00%	
Total Revenue		268,306,849	-	268,306,849	0.00%	
EXPENDITURE						
Employee related costs		69,910,260	-	69,910,260	0.00%	
Remuneration of Councillors		2,334,881	-	2,334,881	0.00%	
Bad debts		6,411,000	-	6,411,000	0.00%	
Collection costs		-	-	-	0.00%	
Depreciation		19,694,611	-	19,694,611	0.00%	
Repairs and maintenance		10,617,522	-	10,617,522	0.00%	
Interest on external borrowings		10,090,406	-	10,090,406	0.00%	
Bulk purchases		54,862,129	-	54,862,129	0.00%	
Contracted services		-	-	-	0.00%	
Grants and subsidies paid		3,914,120	-	3,914,120	0.00%	
General expenses - other		26,808,594	-	26,808,594	0.00%	
Loss on disposal of property, plant and equipment		-	-	-	0.00%	
Total Expenditure		204,643,522	-	204,643,522	0.00%	
NET SURPLUS/(DEFICIT) FOR THE YEAR		63,663,327	-	63,663,327	0.00%	

APPENDIX E(2)

SALDANHA BAY MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2005

	<u>2005</u> <u>Actual</u>	<u>2005</u> <u>Under</u> <u>Construction</u>	<u>2005</u> <u>Total</u> <u>Additions</u>	<u>2005</u> <u>Budget</u>	<u>2005</u> <u>Variance</u>	<u>2005</u> <u>Variance</u>	<u>Explanation of Significant Variances</u> <u>greater than 5% versus Budget</u>
	R	R	R	R	R	%	(Explanations to be recorded)
Land and Buildings							
Land	-	-	-	-	-	0.00%	
Buildings	-	-	-	-	-	0.00%	
	-	-	-	-	-	0.00%	
Infrastructure							
Drains	-	-	-	-	-	0.00%	
Roads	-	-	-	-	-	0.00%	
AIRPT AIRPORTS	-	-	-	-	-	0.00%	
ELEC ELECTRICITY	6,362,961	-	6,362,961	-	6,362,961	0.00%	
PEDES PEDESTRIAN MALLS	2,824,243	-	2,824,243	-	2,824,243	0.00%	
ROADS ROADS	4,988,175	-	4,988,175	-	4,988,175	0.00%	
SECM SECURITY MEASURES	426,446	-	426,446	-	426,446	0.00%	
SEWER SEWERAGE	8,680,073	-	8,680,073	-	8,680,073	0.00%	
WATER WATER	3,932,678	-	3,932,678	-	3,932,678	0.00%	
Beach Improvements	-	-	-	-	-	0.00%	
Sewerage Mains & Purif	-	-	-	-	-	0.00%	
Electricity Mains	-	-	-	-	-	0.00%	
Electricity Peak Load Equip	-	-	-	-	-	0.00%	
Water Mains & Purification	-	-	-	-	-	0.00%	
Reservoirs - Water	-	-	-	-	-	0.00%	
Water Meters	-	-	-	-	-	0.00%	
Water Mains	-	-	-	-	-	0.00%	
	27,214,576	-	27,214,576	-	27,214,576	0.00%	
Community Assets							
Parks & Gardens	-	-	-	-	-	0.00%	
BUILDINGS - COMMUNITY	7,929,587	-	7,929,587	-	7,929,587	0.00%	
RECFC RECREATIONAL FACILITIES	291,334	-	291,334	-	291,334	0.00%	
Libraries	-	-	-	-	-	0.00%	
Recreation Grounds	-	-	-	-	-	0.00%	
Civic Buildings	-	-	-	-	-	0.00%	
	8,220,921	-	8,220,921	-	8,220,921	0.00%	
Heritage Assets							
Historical Buildings	-	-	-	-	-	0.00%	
Painting & Art Galleries	-	-	-	-	-	0.00%	
	-	-	-	-	-	0.00%	
Total carried forward	35,435,497	-	35,435,497	-	35,435,497		

APPENDIX E(2)

SALDANHA BAY MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2005

	<u>2004</u> <u>Actual</u>	<u>2005</u> <u>Under</u> <u>Construction</u>	<u>2005</u> <u>Total</u> <u>Additions</u>	<u>2005</u> <u>Budget</u>	<u>2005</u> <u>Variance</u>	<u>2005</u> <u>Variance</u>	<u>Explanation of Significant Variances</u> <u>greater than 5% versus Budget</u>
	R	R	R	R	R	%	
Total brought forward	35,435,497	-	35,435,497	-	35,435,497		
Housing Rental Stock							
Housing Rental 1	-	-	-	-	-	0.00%	
Housing Rental 2	-	-	-	-	-		
	-	-	-	-	-	0.00%	
Leased Assets (Infrastructure)							
Sewerage Mains & Purify	-	-	-	-	-	0.00%	
	-	-	-	-	-	0.00%	
Other Assets							
Land	-	-	-	-	-	0.00%	
BINS BINS AND CONTAINERS	526,775	-	526,775	-	526,775	0.00%	
BLDO BUILDINGS - OTHER	5,130,713	-	5,130,713	-	5,130,713	0.00%	
EMERE EMERGENCY EQUIPMENT	-	-	-	-	-	0.00%	
FURN FURNITURE AND FITTINGS	193,344	-	193,344	-	193,344	0.00%	
MOTOR MOTOR VEHICLES	3,107,375	-	3,107,375	-	3,107,375	0.00%	
OFFEQ OFFICE EQUIPMENT	1,024,772	-	1,024,772	-	1,024,772	0.00%	
PLAN PLANNING AND VALUATIONS	319,892	-	319,892	-	319,892	0.00%	
PLANT PLANT AND EQUIPMENT	810,175	-	810,175	-	810,175	0.00%	
Office Equipment	-	-	-	-	-	0.00%	
Furniture and Equipment	-	-	-	-	-	0.00%	
Bins and Containers	-	-	-	-	-	0.00%	
Tools and Equipment	-	-	-	-	-	0.00%	
Motor Vehicles	-	-	-	-	-	0.00%	
Special Vehicles	-	-	-	-	-	0.00%	
Refuse tankers	-	-	-	-	-	0.00%	
Computer equipment	-	-	-	-	-	0.00%	
Councillors Regalia	-	-	-	-	-	0.00%	
Conservancy tankers	-	-	-	-	-	0.00%	
Watercraft	-	-	-	-	-	0.00%	
Buildings	-	-	-	-	-	0.00%	
	11,113,047	-	11,113,047	-	11,113,047	0.00%	
Total	46,548,543	-	46,548,543	-	46,548,543	0.00%	